

Portola Packaging, Inc has filed for bankruptcy protection... let's see what the history shows!

Portola Packaging, Inc.

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Filed for Bankruptcy on 8/27/2008
Case #08-12001, filed in the United States Bankruptcy Court for the District of Delaware

Latest Financial Statements as of 5/31/2008

Business Summary

Portola Packaging Inc. is a designer, manufacturer and marketer of plastic closures, bottles and related equipment used for packaging applications in the non-carbonated beverage and institutional foods markets. It also design, manufacture and sell closures and containers for the cosmetics, fragrance and toiletries (CFT) market. During the fiscal year ended August 31, 2007 (fiscal 2007), the Company sold 12.3 billion closures and bottles to over 2,100 customers under the names Snap Cap, Nepco, Portola, Tech Industries, Portola Tech International and other brand names. It also sells products beverage, food and consumer product companies, such as Dean Foods, Saputo, Dairy Crest, Arla Foods, Kroger, Perrier Water/Nestle, Estee Lauder, Avon and Coca-Cola. The products are manufactured through high speed injection molding, compression molding and blow molding processes at 12 manufacturing facilities.

(Source: 10-K)

Employees: 1,239 (as of 8/31/2007)

Federal Tax Id: 941582719

Credit Scores

Z" Score -0.76 (Fiscal danger) 5/31/2008

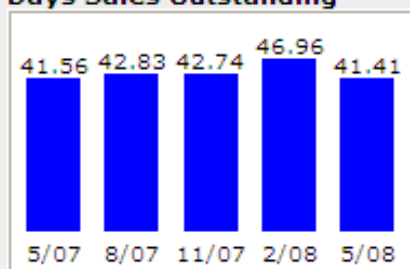
Auditor Information

Last Audit: 8/31/2007
 Auditors: PricewaterhouseCoopers LLP
 Opinion: **Unqualified**

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
Moody's	Caa3	Negative		OFF
S&P	D	NM		NM

Days Sales Outstanding



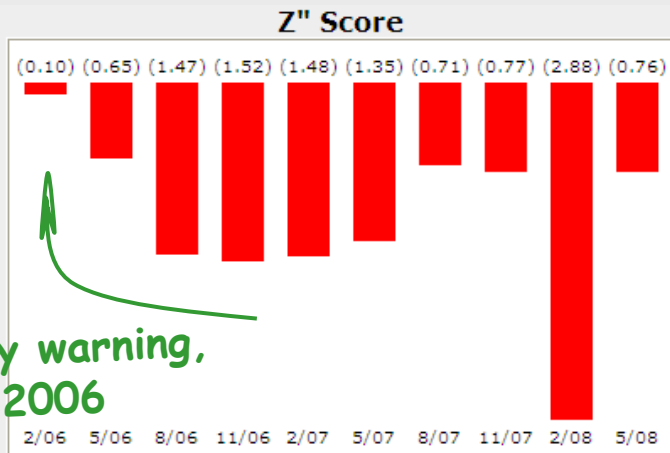
Third Quarter and Year-to-Date Results

Sales for the 3 months ended 5/31/2008 increased 9.29% to \$75.10 million from last year's comparable period amount of \$68.72 million. Sales for the 9 months ended 5/31/2008 increased 7.26% to \$214.28 million from \$199.78 million for the same period last year.

Gross profit margin decreased 9.82% for the period to \$9.70 million (12.92% of revenues) from \$10.76 million (15.65% of revenues) for the same period last year. Gross profit margin decreased 14.80% for the

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The Altman Z" gave early warning, signaling trouble back in 2006

The FRISK2 score has been signaling trouble for at least a year

Containers & Packaging Industry

change in data availability

Availability of component data

Stock Rating score

	FRISK2	Probability of default within 12 months	
		From	To
Best	10	0%	0.3%
	9	0.3%	0.4%
	8	0.4%	0.9%
	7	0.9%	1.9%
	6	1.9%	3.7%
	5	3.7%	7.4%
	4	7.4%	10.1%
	3	10.1%	14.1%
	2	14.1%	21.0%
	1	21.0%	50.0%
Worst			

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... plus, look at the news alerts you would have seen...

Files Chapter

11...

Bankruptcy
warning

Default
Notice

"Non-Reliance" ...

New
CFO is
replaced

CFO
departs

#	Date	Source	Headline
1	8/27/2008	Business Wire	<u>Portola Packaging, Inc. Files for Pre-Packaged Chapter 11 Reorganization after Obtaining the Support of Its Lenders and Bondholders</u>
2	8/11/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</u>
3	7/29/2008	CRM News Service	<u>Portola Packaging, Inc. -- updated S&P ratings available</u>
6	7/28/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</u>
7	7/28/2008	CRM News Service	<u>Portola Packaging, Inc. -- updated Moody's rating available</u>
8	7/25/2008	Moody's Investors Service	<u>Moody's downgrades Portola's CFR to Caa3; PDR to Ca; negative outlook</u>
9	7/25/2008	CRM News Service	<u>Portola Plans To Cut \$180M In Debt, Enter Bankruptcy</u>
10	7/24/2008	Business Wire	<u>Portola Packaging, Inc. Reaches Agreement on Restructuring with Senior Lenders and Holders of Senior Notes</u>
11	7/23/2008	CRM News Service	<u>Portola Packaging, Inc. -- updated S&P ratings available</u>
12	7/17/2008	CRM News Service	<u>Portola Packaging, Inc. -- updated financials available</u>
13	7/15/2008	Business Wire	<u>Portola Packaging Reports Preliminary Third Quarter Fiscal Year 2008 Results</u>
14	7/15/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
15	7/15/2008	CRM News Service	<u>PORTOLA PACKAGING INC Files Notification of Late Filing for its Form 10-Q with the Securities and Exchange Commission.</u>
16	7/7/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Triggering Events That Accelerate or Increase a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement</u>
17	6/27/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Non-Reliance on Previous Financials, Audits or Interim Review</u>
18	4/17/2008	CRM News Service	<u>Portola Packaging, Inc. -- updated financials available</u>
19	4/16/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Entry into a Material Definitive Agreement, Financial Statements and Exhibits</u>
20	4/14/2008	CRM News Service	<u>PORTOLA PACKAGING INC: a Form 10-Q has been Filed with the SEC</u>
21	3/25/2008	CRM News Service	<u>Credit Crunch Puts Some Companies on S&P Watch List</u>
22	3/5/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
23	1/22/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Change in Directors or Principal Officers</u>
24	1/22/2008	CRM News Service	<u>PORTOLA PACKAGING INC: a Form 10-Q has been Filed with the SEC</u>
26	1/14/2008	CRM News Service	<u>PORTOLA PACKAGING INC Files Notification of Late Filing for its Form 10-Q with the Securities and Exchange Commission.</u>
27	1/14/2008	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
28	1/12/2008	CRM News Service	<u>Portola Packaging, Inc. -- updated financials available</u>
29	11/28/2007	CRM News Service	<u>PORTOLA PACKAGING INC: a Form 10-K has been Filed with the SEC</u>
30	11/26/2007	CRM News Service	<u>PORTOLA PACKAGING INC FILES (8-K) Disclosing Results of Operations and Financial Condition, Financial Statements and Exhibits</u>
31	11/23/2007	CRM News Service	<u>Portola Packaging, Inc. -- updated financials available</u>
32	7/31/2007	CRM News Service	<u>Portola Packaging, Inc. -- updated financials available</u>

"Restructuring"

Ratings
continue
to fall...

"Late
filings"

Interest
rates
increase...

S&P
Ratings
Drop...

"Late
filings"

Net Loss
continues
to
increase...

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...need more depth? Look at the Leverage Ratios...
 ...Ballooning debt, negative stockholders' equity...

Leverage Ratios - Sequential Quarters					
(Thousands of U.S. Dollars)					
Period Ended	3 mos 5/31/2008	3 mos 2/29/2008	3 mos 11/30/2007	3 mos 8/31/2007	3 mos 5/31/2007
Total debt \$	\$273,700	\$232,462	\$222,763	\$219,590	\$211,550
% change	17.74%	4.35%	1.44%	3.80%	0.12%
Stockholders' equity \$	(\$106,800)	(\$103,334)	(\$98,383)	(\$96,675)	(\$91,627)
% change	-3.35%	-5.03%	-1.77%	-5.51%	-0.28%
Tangible net worth \$	(\$106,800)	(\$121,163)	(\$116,290)	(\$114,834)	(\$104,460)
% change	11.85%	-4.19%	-1.27%	-9.93%	-0.42%
Total debt to tangible net worth	(2.56)	(1.92)	(1.92)	(1.91)	(2.03)
% change	-33.57%	-0.16%	-0.17%	5.58%	0.30%
Total assets \$	\$170,000	\$164,272	\$167,306	\$161,470	\$158,128
% change	3.49%	-1.81%	3.61%	2.11%	2.35%
Total debt to assets ratio	1.61	1.42	1.33	1.36	1.34
% change	13.77%	6.28%	-2.09%	1.65%	-2.19%
Net tangible assets \$	\$170,000	\$146,443	\$149,399	\$143,311	\$145,295
% change	16.09%	-1.98%	4.25%	-1.37%	2.44%
Short-term debt \$	\$34,500	\$52,462	n/a	n/a	n/a
% change	-34.24%	n/a	n/a	n/a	n/a
Short-term debt % of total debt	12.61%	22.57%	n/a	n/a	n/a
% change	-44.15%	n/a	n/a	n/a	n/a
Short-term debt % of working capital	79.86%	-396.09%	n/a	n/a	n/a
% change	120.16%	n/a	n/a	n/a	n/a
Total liabilities \$	\$276,800	\$267,606	\$265,689	\$258,145	\$249,755
% change	3.44%	0.72%	2.92%	3.36%	1.58%
Total liabilities to tangible net worth ratio	(2.59)	(2.21)	(2.28)	(2.25)	(2.39)
% change	-17.35%	3.33%	-1.63%	5.98%	-1.16%
Source:	8-K 7/15/2008	10-Q 4/14/2008	10-Q 1/22/2008	10-K 11/28/2007	10-Q 7/12/2007